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E.O. 12065 GDS 10/17/85 (RUSER, C.W.)

TAGS:

SUBJECT: ARA POLICY STUDY ON ARGENTINA

1. S - ENTIRE TEXT

2. BELOW IS A PRELIMINARY OUTLINE OF A GENERAL POLICY REVIEW ON ARGENTINA THAT ARA CONTEMPLATES AS A BASIS FOR POLICY ORIENTATION IN THE '80'S. FOR THIS STUDY, WE INTEND TO SEEK INPUT BOTH FROM OFFICIAL SPECIALISTS OF RELEVANT WASHINGTON AGENCIES AND THE FIELD BUT ALSO, AS NEEDED, FROM QUALIFIED ACADEMIC OR OTHER OUTSIDE SOURCES. STUDY IS MOTIVATED BY OUR CONCEPT THAT ARGENTINA IS IN A TRANSITIONAL STAGE POLITICALLY AND THAT THE NEXT DECADE MAY SEE NEW DEVELOPMENTS AND TRENDS THAT COULD SUBSTANTIALLY AFFECT U.S. INTERESTS. THE OBJECTIVE,

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PAGE 02 STATE 272076

OF COURSE, IS TO DETERMINE WHAT LEVERAGE THE U.S. MAY HAVE TO INFLUENCE THOSE DEVELOPMENTS AND HOW IT CAN BE BEST EXERTED, BEARING IN MIND THE VARIOUS CONSTRAINTS AFFECTING U.S. POLICIES AND PROGRAMS RELATED TO ARGENTINA.

3. WOULD APPRECIATE EMBASSY COMMENTS ON THIS OUTLINE AND YOUR INITIAL THOUGHTS, IN BRIEF FORM, ON THE SUBSTANCE

OF TOPICS THAT YOU FEEL YOU ARE NOW IN A POSITION TO ADDRESS WITH SOME ASSURANCE. AT THIS STAGE WE ARE NOT REQUESTING NEW RESEARCH OR ANALYSIS BUT RATHER THE GENERAL FRUITS OF YOUR EXPERIENCE AND OBSERVATION. YOUR INITIAL COMMENTS WILL BE USED AS A BASIS-FOR REVISION OF THE OUTLINE, FOR POSSIBLE REQUESTS FOR MORE SPECIFIC CONTRIBUTIONS, AND FOR A DRAFT PAPER ON WHICH YOU WILL BE ASKED TO COMMENT FURTHER. THUS WE HOPE WE CAN HAVE YOUR PRELIMINARY COMMENTS HERE WITHIN TWO WEEKS.

4. PROPOSED OUTLINE FOLLOWS:

I. ARGENTINA IN THE INTERNATIONAL SYSTEM

A. ARGENTINA IN THE TWENTIES: ZENITH OF INFLUENCE

Department of State, A/GIS/IPS/SRP

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## B. ECONOMIC AND POLITICAL POTENTIAL

## C. FORTY YEARS OF INSTABILITY AND CHANGE

(1) ECONOMIC AND SOCIAL CHANGES

(2) THE LEGACY OF PERONISM

## D. SHIFTS IN ARGENTINA'S INTERNATIONAL POSITION

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PAGE 03 STATE 272076

SINCE WORLD WAR II

## E. THE FUTURE:

(1) RECOVERY OR CONTINUED INSTABILITY

(2) POTENTIAL INFLUENCE ON U.S. INTERESTS:  
AREAS OF CONFLICT AND CONSTRUCTIVE INTERCHANGE

I) HUMAN RIGHTS

II) NONPROLIFERATION

III) FOOD AND RAW MATERIALS

IV) TRADE

V) POLITICAL AND MILITARY

. IN THE HEMISPHERE

. THE SOUTH ATLANTIC

. MULTILATERAL

## II. THE PRESENT SITUATION

## A. ARGENTINA'S CURRENT SITUATION

(1) ECONOMIC

(2) MILITARY

(3) POLITICAL

## B. THE STATE OF U.S.-ARGENTINE RELATIONS

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PAGE 04 STATE 272076

(1) THE VIEW FROM THE U.S.

(2) THE ARGENTINE PERCEPTION

(3) THE SHORT-RANGE OUTLOOK

## III. LONG-TERM ARGENTINE PROSPECTS

A. OUTLOOK FOR RATIONALIZATION, FINANCIAL STABILITY,  
AND GROWTH

(1) ECONOMIC RATIONALIZATION AND PRIVATIZATION

(2) MONETARY MANAGEMENT AND THE INFLATION

## SYNDROME

- (3) THE ROLE OF LABOR IN ECONOMIC RECOVERY
- (4) FOREIGN EXCHANGE SURPLUS--AN EARLY PHENOMENON OR A CONTINUING CONDITION?
- (5) PROSPECTS FOR STABLE LONG-TERM GROWTH

## B. THE OUTLOOK FOR MILITARY POLITICS

## C. THE POLITICAL PROSPECTS

- (1) THE ROLE OF PERONISM
- (2) THE FUTURE OF LABOR

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PAGE 05 STATE 272076

- (3) THE POSITION OF THE RADICALS
- (4) POSSIBLE PATHS TOWARDS PARTICIPATORY POLITICS

## IV. U.S.-ARGENTINE RELATIONS IN THE '80'S

## A. GENERAL FACTORS

- (1) ARGENTINE RESPONSES TO PUBLIC DIPLOMACY -- THE SHADOW OF BRADEN
- (2) ARGENTINA'S SENSE OF ISOLATION
- (3) THE RESURGENCE OF EUROPEAN INTEREST -- JAPAN'S FUTURE ROLE
- (4) ARGENTINA'S ORIENTATION TOWARD WESTERN EUROPE AND THE DEVELOPING WORLD
- (5) U.S.-ARGENTINE RELATIONS IN THE HEMISPHERIC CONTEXT

## B. CONSTRAINTS ON POLICY IMPLEMENTATION IN THE U.S.

- (1) SHADOWS OF NUREMBERG
- (2) THE KENNEDY-HUMPHREY AMENDMENT
- (3) COMPETING POLICY GOALS (CONVENTIONAL ARMS LIMITATIONS, NONPROLIFERATION, TRADE CONFLICTS, PROTECTIONISM)

## C. ADDRESSING PARTICULAR INTERESTS

- (1) NUCLEAR ISSUES--THE DEMAND SIDE OF THE

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PAGE 06 STATE 272076

## EQUATION

- (2) FOOD-COOPERATION OR COMPETITION?
- (3) DOING BUSINESS WITH ARGENTINA
- (4) A LARGER AND MORE RESPONSIBLE ROLE FOR

ARGENTINA IN THE SOUTH ATLANTIC, THE SOUTHERN  
CONE, IN THE HEMISPHERE AND IN THE WORLD

- D. REINTEGRATING ARGENTINA INTO THE WESTERN SYSTEM
- E. CNCLUSIONS

ANNEX:

RECENT ARGENTINE HISTORY AS A CLUE TO THE FUTURE

- A. FACTORS IN THE RISE OF PERONISM
- B. REASONS FOR THE SECOND PERON PERIOD
- C. ARGENTINE RADICALIZATION
- D. THE INTERACTION OF POLITICAL AND ECONOMIC FACTORS
- E. MILITARY POLITICS AS A FACTOR OF INSTABILITY
- F. MORE GENERAL SOCIAL-CULTURAL FACTORS
- G. HAS PERONISM BEEN SET ASIDE? VANCE

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